

# **Income Supports for Working Families:**

## ***Recommendations to Increase Utilization***

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**November 2002**

The **Illinois Poverty Summit** established an income supports working group at its June 2002 Summit to guide the development of this project. This document was facilitated and prepared by Heartland Alliance to reflect the discussion and input of the working group.

### **Illinois Poverty Summit Principles**

- People who work full-time should not live in poverty.
- Elimination of poverty is good for the State and is good for all Illinoisans.
- All people who can work should work – and be given the tools to work toward their fullest potential.
- A safety net should be provided for those who cannot work.

# EXECUTIVE SUMMARY

Working poor families continue to live in poverty, despite working full-time jobs. Low-wage earners have found that *working full-time hours does not ensure economic stability*. Parents who work full-time at a salary well above the minimum wage find that they and their families are still

| A Family of 3, with one parent and two children, continues to be poor, even when working full time-hours: |                       |                      |   |  |  |
|---|-----------------------|----------------------|---|--|--|
| Hourly Wage   | Monthly Earned Income | Annual Earned Income | % of Federal Poverty Line<br>FPL=\$15,020 | % of Chicago's Self-Sufficiency Standard<br>SSS=\$32,281 | % of Illinois Median Income<br>IL=\$46,760 |
| \$5.15  | \$906                 | \$10,877             | 72%                                       | 28%  | 23%  |
| \$7.11  | \$1,252               | \$15,020             | 100%                                      | 39%  | 32%  |
| \$14.21   | \$2,501               | \$30,015             | 200%                                      | 78%  | 64%  |

living below 200% of the Federal Poverty Line (FPL). An individual who earns \$7.11 an hour and works full-time is still at only 100% of the poverty line.

Many income support programs are designed to help families until their incomes reach 200% of the FPL. Income support programs include, but are not limited to health insurance, Food Stamps, child support, Earned Income Tax Credit, and childcare. Income support programs are designed to help working poor families cover basic costs of living. The use of these programs often makes the difference in keeping a family out of poverty. Moving children out of poverty is integral to their health and social and emotional development.

*Under-utilization rates for these programs are extremely high, leaving many working families struggling to make ends meet.* For example:

- In Illinois there are still **192,900 eligible children not enrolled in Medicaid or KidCare**, even though they are living in poor families.
- From 1997 to 2002, **Food Stamp usage in Illinois dropped by 8.9%**, even though the poverty rate for families increased.
- Studies show that **18 to 25% of all eligible families fail to apply for the EITC**, mostly because they do not know about it.
- While 372,000 children in Illinois under age 13 were likely eligible in 2002, it was estimated that **only 59 percent of them received child care subsidies**.

*There are a myriad of reasons why working families do not access these supports, including:*

- There is a **lack of information** about income supports among the working poor and service providers;
- Those who do know about the programs often have trouble accessing them because of **burdensome application and re-application processes**;
- Families and service providers have **difficulty in determining their eligibility** for income support programs because they each have different, confusing criteria.

## **RECOMMENDATIONS TO INCREASE UTILIZATION OF INCOME SUPPORTS FOR LOW-INCOME WORKING FAMILIES INCLUDE:**

### **CREATE MEANINGFUL OUTREACH**

- Create and **promote public information campaigns** and user-friendly web-based informational sites
- Provide **training sessions on income support programs** and their eligibility requirements to community-based service providers and state workers

### **IMPROVE ACCESS TO INCOME SUPPORTS**

- Create and promote **web-based screening tools** that provide eligibility information on a wide range of programs regardless of administering agency
- Allow **community based organizations (CBOs) to become certified** as application and recertification agents for the wide range of income supports
- Strengthen the **collaboration** between CBOs and state workers
- Promote the ‘**No Wrong Door**’ approach, so that families can access services at any IDHS office
- Allow **submittal of certification documents to be made via internet, phone, fax, and mail**, and allow working families to opt out of face-to-face interviews with state workers
- Create **electronic accounts for eligible families** to track their eligibility, application and re-application requirements
- Establish **professional standards** at each phase to ensure program compliance, preserve confidentiality, and address families with special-needs

### **COORDINATE ELIGIBILITY REQUIREMENTS**

- Create a **general application system** that can highlight a family’s eligibility for, and provide a link to, a myriad of services
- Create a **common verification and certification** process using technology that crosses agency systems
- **Streamline the time period for re-determination** across all programs

# INCOME SUPPORTS FOR WORKING FAMILIES

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**B**oth the federal government and the Illinois legislature have made available a multitude of income supports to low-income families, living under 200% of the Federal Poverty Line, to help lift them out of poverty. Many of these supports, which include Medicaid, Child Care Subsidies, Food Stamps, and Earned Income Tax Credits, are fully or partially funded by the federal government.

Yet, many working poor families are not receiving these supports because of barriers of information and access. There are ways to improve working families' access to income supports, but it requires rethinking the current fragmented delivery system, which is not geared to serve working families, and the use of available tools and partners in the community.

In most cases, the infrastructure to advise families and take applications reflects the legacy of welfare programs, but income supports also exist to help vulnerable working poor families. The information, application, scheduling and eligibility processes are not realistically accessible for working families dealing with the complexities of a work day schedule, child care, and family life.

**Illinois can act to ensure that income supports help fulfill the promise that anyone who works will be able to escape poverty**

Illinois can adopt practical, and in many cases short term and low cost, solutions to increase the likelihood that working poor families receive the income supports needed to help stabilize and improve their lives and the lives of their children. Ultimately, by creating meaningful outreach, improving access to income support systems, and coordinating eligibility requirements, utilization of these essential supports will increase.

This policy paper reviews the multiple benefits of income supports for working poor families, the underutilization of income supports by eligible families and contributing reasons, and suggests concrete steps to increase utilization and improve efficiency.

## In Illinois, an Increasing Number of People are Working but Still Living in Poverty

Illinois families living at or below 200% of the federal poverty line are participating in the workforce at unprecedented rates, yet they find that they are still struggling to make ends meet. A substantial number of families whose incomes fall between 100 and 200 percent of the federal poverty level experience material hardships generally associated with poverty.<sup>1</sup> With entry-level wages that do not support current costs of living, the working poor are unable to earn enough to provide for their families' basic needs.

Low-wage earners have found that working full-time hours does not ensure economic stability. The working poor, such as service sector employees, immigrants, and former welfare recipients, still cannot adequately provide for their families nor move above or much beyond the poverty level. For instance, many former welfare recipients who are now working have greater household incomes than before, yet they are still poor. A recent study found that half (49%) of the study's former welfare recipients who are now working are still living in poverty.<sup>2</sup>

| <b>Earned Income and Poverty Details</b><br><b>For a Family of 3: one parent, two children</b>                                |                        |                       |                   |                                |                    |
|---|------------------------|-----------------------|-------------------|--------------------------------|--------------------|
| Poverty Line = \$15,020 annual income<br>Chicago Self-Sufficiency Standard = \$38,281*<br>Illinois Median Income = \$46,760** |                        |                       |                   |                                |                    |
| Hourly Wage   | Monthly Earned Income‡ | Annual Earned Income‡ | % of Poverty Line | % of Self-Sufficiency Standard | % of Median Income |
| \$5.15  | \$ 906                 | \$10,877              | 72%               | 28%                            | 23%                |
| \$6   | \$1,056                | \$12,672              | 84%               | 33%                            | 27%                |
| <b>\$7.11</b>   | <b>\$1,252</b>         | <b>\$15,020</b>       | <b>100%</b>       | <b>39%</b>                     | <b>32%</b>         |
| \$9.46  | \$1,665                | \$19,976              | 133%              | 52%                            | 43%                |
| \$10.66   | \$1,877                | \$22,522              | 150%              | 59%                            | 48%                |
| \$13.13   | \$2,312                | \$27,738              | 185%              | 72%                            | 59%                |
| \$14.21   | \$2,501                | \$30,015              | 200%              | 78%                            | 64%                |

\* The Self-Sufficiency Standard for Illinois, 2001: Diana Pearce, Wider Opportunities for Women, Women Employed.

\*\* U.S. Census Bureau, 2000-2001 Two-Year Average Median Income.

‡ Indicates pre-tax income, which is used to measure poverty. Based on 176 monthly work hours (8 hours per day times 22 days per month).

Note: Totals may not add exactly due to rounding.

<sup>1</sup> Boushey, H.; Brocht, C.; Gundersen, B.; and Bernstein J. (2001) *Hardships in America – The real story of working families*. Washington, DC: Economic Policy Institute.

<sup>2</sup> Danziger, S.; Heflin, C.; Corcoran, M.; Oltmans, E. and Wang, H. (2002) "Does it Pay to Move from Welfare to Work?" Ann Arbor, MI.

## Income Support Programs are Designed to Support These Working Poor Families

**E**ntry-level wages are too low for workers to be able to provide for their families' most basic needs. Even higher hourly wages, reaching \$14 an hour, no longer fully support a family as they once did. This is especially true when considering the rising costs of health care, food, and housing. Since many employers are either not able or not willing to support adequate entry-level and experienced level wages, income supports intended for these workers are crucial for the family to thrive.

Income support programs for the working poor encourage and reward work and help compensate for the inability of wages to cover basic costs of living. These supports include, but are not limited to:

- |  |                            |                                 |
|--|----------------------------|---------------------------------|
| ▪ Health Insurance<br>(Medicaid/KidCare) | ▪ Federal EITC             | ▪ Free & Reduced School Lunches |
| ▪ Food Stamps                            | ▪ State EITC               | ▪ WIC                           |
| ▪ Child Support                          | ▪ Federal Child Tax Credit | ▪ Work Pays & TANF              |
|  | ▪ Child Care Subsidies     |                                 |

Accessing these supports can raise a family's income enough to bring it to a level adequate to provide for basic needs, decent housing, and economic security; while in-kind benefits (such as child care subsidies, health insurance and Food Stamps) increase disposable income by reducing key expenses. In addition, research shows that families who left welfare but received supports such as child care subsidies and Medicaid, were significantly less likely to return to welfare.<sup>3</sup>

Income supports not only raise a family's income; they are also integral to the social and emotional development of children of poor families. A large body of research shows the associations between poverty and negative child development outcomes, specifically cognitive, behavioral, social and emotional abilities.<sup>4</sup>

Simply raising parents' employment rates, without also increasing their

income, has few positive effects on low-income children. Increasing a family's income can, in turn, affect improvements in health, children's behavior, performance in school, and overall well being as family members gain a sense of economic security.

**The key to a family benefiting from working parents is that there must be an increase in the household income.**<sup>4</sup>

<sup>3</sup> Loprest, Pamela. *Who Returns to Welfare?* The Urban Institute. Series B, No. B-49, September 2002.

<sup>4</sup> Gershoff, E.; Aber, J. and Raver, C. (Forthcoming) Child Poverty in the U.S.: An evidence-based conceptual framework for programs and policies. In Lerner, R.; Jacobs, F. and Wertlieb, D. (eds.) *Promoting positive child, adolescent and family development: A handbook of program and policy innovations*. Thousand Oaks, CA: Sage Publications.

<sup>5</sup> Morris, P.; Huston, A.; Duncan, G.; Crosby, D.; and Bos, J. (2001) *How welfare and work policies affect children: A synthesis of research*. New York, NY: Manpower Demonstration Research Corporation.

## **UNDERUTILIZATION: Income Support Programs are Underutilized by Eligible Poor Families**

**W**hile income supports are essential to the stability of many working poor families, they are underutilized. As a consequence, many working poor families are not reaping the positive economic and social gains fostered by income supports. Some examples of underutilization are listed below.

### **EARNED INCOME TAX CREDIT**

The Earned Income Tax Credit is a special tax credit which reduces the income tax liability of low-income working families. Depending on their income, eligible families receive a refund on part of their tax payments. The federal EITC is refundable, so that eligible families receive a cash payment of any amount that exceeds their tax liability. The Illinois EITC is equal to 5% of the federal EITC but is not refundable.

For families earning at or below \$10,000, the federal tax refund is approximately 40% for every dollar earned. As income increases, the percentage tax credit gradually declines. Thus, a family earning \$18,000 a year can expect a refund of about \$3,000, a significant amount of extra income that can be used to enhance economic security. With the refund, many families choose to pay off debt, invest in educational opportunities, or improve housing conditions.<sup>6</sup>

<sup>6</sup> The Aspen Institute, *Grow Faster Together or Grow Slowly Apart*, p 3, Chapter VI.

Research on the federal EITC shows that it lifts more children out of poverty than any other government program.<sup>7</sup> Evidence also suggests that filing rates are still particularly low among former welfare recipients, in part because of a lack of knowledge about refundable tax-withholding and the EITC.<sup>8</sup> *Studies show that 18 to 25% of all eligible families fail to apply for the EITC, mostly because they do not know about it.*<sup>9</sup>

### **FOOD STAMPS**

The Food Stamp program, which helps people pay for groceries, is the cornerstone of the federal food assistance programs, which also include the Women, Infants and Children (WIC) program and Free and Reduced School Breakfast and Lunch program. Together, these programs provide crucial support to needy households and to those making the transition from welfare to work.

*Over the last five years, from 1997 to 2002, Food Stamp usage in Illinois decreased by 8.9%.<sup>10</sup>* Yet, during that same time period, the overall poverty rate in Illinois stagnated, and the poverty rate for families actually increased.<sup>11</sup> Thus, the usage of Food Stamps, available until 130% of the federal poverty line, dropped significantly even while poverty remained high.

<sup>7</sup> Greenstein, R. and Shapiro I. (1998) *New research findings on the effects of the Earned Income Tax Credit*. Washington, DC: Center on Budget and Policy Priorities.

<sup>8</sup> Hill, C.; Hotz, J.; Mullin, C. and Scholz, J. (1999). EITC eligibility, participation and compliance rates for AFDC households: Evidence from the California Caseload.

<sup>9</sup> Center for Economic Progress, *The Earned Income Tax Credit: An Underused Financial Resource*, [www.chicago-eitc.org](http://www.chicago-eitc.org).

<sup>10</sup> Preliminary Summary of Food Assistance Program Results for June 2002, FNS Data Base Monitoring Branch, August 27, 2002.

<sup>11</sup> Current Population Survey.



## HEALTH INSURANCE

For families who do not have health insurance or cannot afford the premiums of private or employer-sponsored plans, Illinois offers targeted insurance options through the Medicaid Program including KidCare and the new Family Assist. Need for insurance assistance is great, as nearly 60% of the uninsured are working poor,<sup>12</sup> and low wage and part time workers are less likely than high-wage workers to be offered health insurance by their employers.<sup>13</sup>

As one example of Illinois' efforts, the KidCare program offers health care coverage for children and pregnant women through insurance coverage or through subsidizing premiums of employer-sponsored or private insurance plans. Yet, not all eligible families are accessing these health care supports. *In Illinois, there are still 192,900 children who are eligible, but not enrolled in Medicaid or KidCare.*<sup>14</sup>

## CHILD SUPPORT

The Child Support system is a different but critical form of income support for working poor families. A custodial parent should be able to rely upon the state's collection of child support from the working non-custodial parent. The efficient capture of these funds, through voluntary payments, garnishment of wages, and various collection measures, and the delivery of them to custodial parents, help families meet their basic needs. Yet many families continue to struggle because they are not receiving the entitled child support. While the child support system fails to capture and deliver the support

for many reasons, one cause is that the system is not consistent in the acceptance and use of information provided by custodial parents. Compounding this, parents often cannot verify if the correct data is being used to try to get collection of support. *In 2002, \$469 million in child support went uncollected in Illinois.*<sup>15</sup>

## CHILD CARE

In Illinois, child care subsidies are available to eligible families to help them pay for child care for children age 6 weeks to 13 years. *While 372,000 children in Illinois under age 13 were likely eligible for child care assistance in 2002, it was estimated that only 59 percent of them received the assistance.*<sup>16</sup>

In addition to many eligible families not receiving child care subsidies, the subsidy is difficult to retain, as evidenced by Illinois children cycling in and out of subsidy assistance. As many as 50 percent of children enrolled in the program in Illinois return for a subsequent cycle of subsidy receipt within one year, suggesting that many remain eligible for assistance but lose it and have to reapply.<sup>17</sup> Reasons for loss of eligibility include changes in child care providers or interruptions in work, since eligibility is tied to the working status of the parent. Enrolled children keep the subsidies for short periods of time:

- 25% received the subsidy 3 months or less;
- 50% received the subsidy 6 months or less;
- 25% received the subsidy for 14 months;
- The median length of time the subsidy was received was five to six months.

<sup>15</sup> Illinois Department of Public Aid, November 2002.

<sup>16</sup> The Illinois Child Care Experience Since 1996: Implications for Federal and State Policy by Kathy Stohr, Susie Lee, and Sessy Nyman.

<sup>17</sup> Meyers, M. et. al. *The Dynamics of Child Care Subsidy Use*, July 2002. New York, NY: National Center for Children in Poverty.

<sup>12</sup> Workers without Health Insurance, The Urban Institute.

<sup>13</sup> Chicago Partnership for Public Health.

<sup>14</sup> The Urban Institute Model for Uninsured and Enrollment Estimates, August 1, 2002.

# REASONS FOR UNDER-UTILIZATION: Families Do Not Fully Access Available Income Supports for a Number of Reasons

Lack of information, complicated application requirements, and disparate eligibility and re-determination criteria are the prominent barriers that hinder families from accessing income supports.

## 1. There is a lack of information about income supports for the working poor.

Many eligible families, including former welfare recipients who are now working and working poor who have never been connected with public assistance, do not access these income supports simply because they do not know they exist. Many service providers are also unaware of all of the supports available and are not able to advise their program participants on how to become eligible or how much support to expect.

Compounding the overall lack of information is the fact that the Illinois Department of Human Services (IDHS) is understaffed and under-resourced for the complexity and enormity of caseloads, prompting workers to steer people away from income support programs. Workers use diversionary tactics to control work and caseload, providing little or no information about the benefits available to families. To follow policy directives, workers deter people from receiving TANF, but in doing so they inadvertently divert them from learning about and accessing other supports.

## 2. Those who do know about programs often have trouble accessing income supports due to burdensome application and re-application processes.

The application process is unduly inefficient. Applicants are often required to attend multiple face-to-face interviews with state employees and submit essentially the same eligibility documentation (e.g. income verification) multiple times. The same inefficient burden is placed on the working poor family to access different programs at different locations.

The costs of applying for benefits often appear greater than the benefits themselves, especially as parents struggle to meet time demands of work and family. Many working poor cannot apply for supports in person due to a time mismatch: office hours to apply for benefits are the same as most work hours. Such policies reinforce the stigma that working poor feel – that their time and work are not valued.

Equally frustrating for both the working poor and state workers are the inadequate staffing and technological tools of IDHS offices. Because of inadequate and outdated tools and procedures, the application process is inefficient and time-consuming for state workers and the working poor alike. This amount of red tape keeps families from obtaining benefits and state workers from encouraging families to apply.

The state fails to take full advantage of the existing infrastructure of Community Based Organizations (CBOs), which have more flexible working hours and are already connected to families through the services they offer. With a few exceptions, CBOs are not involved in the screening, interview, and application processes.

**3. Income support programs have different eligibility criteria, making it difficult for families and service providers to determine for which programs they are eligible.**  
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Each income support program has a different set of rules that specify income guidelines, the types of income used in the income calculation, and activities parents must be engaged in to qualify for programs.

Disparate eligibility requirements are confusing for participants and inefficient for service providers. They slow down the screening and application process due to complexity, and they require State employees and service providers to know what is available, understand the permutations, and individually determine eligibility for each separate support. The current system provides no link or system of referral to other supports that require the same or less restrictive eligibility.

**An applicant that is found eligible for Food Stamps, for instance, typically is not advised that he or she is also eligible for other supports, such as KidCare, child care, and tax credits.**

Without a well-developed computer-based tool, such as the one being piloted in Illinois, keeping the variety of rules and processes straight is a formidable challenge for even the most efficient workers.

## **EXISTING INTERVENTIONS:**

### **A Number of Models Exist in Illinois & Across the Nation that Increase Utilization of Income Supports and Improve Efficiency**

#### **KIDCARE OUTREACH**

The Illinois Department of Public Aid (IDPA) greatly increased enrollment in KidCare with a statewide advertising campaign, local promotions, and local agents, called KidCare Application Agents, to outreach to eligible families. At a cost of \$11.4 million (including \$2.9 million for application agents), IDPA increased the number enrolled in the program from 35,000 to 177,300 by January 2002.<sup>18</sup> Currently, KidCare Application Agents account for about 60% of all submitted applications.

#### **EITC OUTREACH**

The State of Illinois helps improve knowledge about and access to EITC refunds by funding 36 sites that help working poor families file their tax returns correctly. Free tax counseling services provided by the Center for Economic Progress helped bring over \$19.5 million in refunds to 14,723 working families in 2002.<sup>19</sup> The City of Chicago also engages in EITC outreach, encouraging businesses and organizations to display EITC information on paycheck stubs, posters and flyers.

#### **FOOD STAMP OUTREACH**

IDHS recently launched a new U.S. Department of Agriculture funded Food Stamp Outreach

Project which uses CBOs in certain counties (Champaign, Henry, Madison, Mercer, and Rock Island) to serve as outreach centers and to help families assess their potential eligibility to receive Food Stamps. While the CBO screening assessment is only an estimate of eligibility and benefit amount, the CBO staff can help families determine their potential eligibility for the program, and then issue the application, help applicants complete it, and forward it to the appropriate IDHS office. The IDHS office still has to approve the application and interview the applicant, although in-office interviews can be waived under special circumstances.<sup>20</sup>

#### **REALBENEFITS**

This web-based software application, developed by Community Catalyst, uses technology to give applicants an immediate response about their eligibility for, and the anticipated amount of, Food Stamps and other income supports. The software incorporates specific eligibility and processing rules applicable in Illinois so it can generate an application for income supports. This tool is efficient in that it prompts the user to ensure that all required data is gathered on the application, which can then be electronically submitted to the state agency, and the software also identifies client eligibility for other supports. The U.S. Department of Agriculture has selected this software as a prototype tool.

#### **ILLINOIS HUNGER COALITION PILOT**

Working through employees in community-based organizations, the Illinois Hunger Coalition is currently using the *RealBenefits* software in a federally funded pilot program focused on signing people up for Food Stamps.

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<sup>18</sup> Holland, G. Auditor General State of Illinois, Program and Management Audit of the Illinois Department of Public Aid's KidCare Program, July 2002.

<sup>19</sup> Center for Economic Progress Tax Counseling Project, 2002.

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<sup>20</sup> Illinois Dept. of Human Services, Food Stamp Outreach Project, Form 2378B, October 2002.

Since IDHS will not yet accept electronic submissions, the system generates an application form that has to be faxed to the appropriate IDHS office. The pilot program hopes to expand *RealBenefits* screening to TANF, child care, Medicaid, KidCare, and EITC in the near future and is being evaluated.

## **BENEFIT CALCULATORS**

The State of Illinois provides web-based benefit calculators in order to project eligibility and amount estimates for food stamps and child care. Families input their income and family data and receive immediate estimates on benefits they may receive, thus encouraging follow through on applying. However, these tools do not generate applications so families must still apply through IDHS. These and other projects show IDHS' interest in expanding outreach and access through web-based tools. <http://www.state.il.us/agency/dhs/eligcalc.html>

In other states, *Multiple Program Benefit Calculators* include screening and benefit information for various work support programs at once, based on a participant's eligibility.

## **THE ILLINOIS LINK SYSTEM**

The Illinois Link System is an electronic system for Food Stamp and TANF benefits that allows someone to use a plastic card, similar to a bank card, at grocery store terminals and Automated Teller Machines (ATMs). Using technology, the Link card greatly increased the state's efficiency in delivering cash grants and food stamps, reduced costs to the state from fraudulent and paper processes, and empowered beneficiaries to track and control benefits.

## **KEEPING CHICAGO AFFORDABLE**

On its *Keeping Chicago Affordable for You and Your Family* website, the City of Chicago offers links, explanations, income guidelines, eligibility requirements, and some applications for Child Care, KidCare, Food Stamps, WIC, LIHEAP, and the Earned Income Tax Credit. [www.cityofchicago.org/Mayor/Affordable Chicago](http://www.cityofchicago.org/Mayor/AffordableChicago)

## **HELPWORKS**

*HelpWorks* is a web-based tool that provides benefit screening, a provider directory, and information and referrals to local, state, and federal programs for Chicago area residents. Available for a low monthly fee to service providers, *HelpWorks* performs confidential screening, match and referral to Chicago area agencies. [www.chicago.helpworks.com](http://www.chicago.helpworks.com)

## **WEB-BASED APPLICATIONS**

The Social Security Administration (SSA) offers online filing of applications for benefits, although individuals must print, sign, and mail the forms to SSA within six months. The Washington State Department of Social and Health Services offers a web-based basic calculator with a link to electronically file applications for food stamps, Medicaid, and the State Children's Health Insurance Program.

## **HEALTH-E APP**

*Health-E-App* is a web-based application used in Arizona and California to enroll low-income children and pregnant mothers in public health insurance. Its use is restricted to staff of local public health agencies and community organizations, who are trained as 'certified application agents.' [www.healthapp.org](http://www.healthapp.org)

# RECOMMENDATIONS:

## Ways to Increase Utilization of These Essential Supports

In order for these supports to benefit families as they were designed, there are short and long term changes that must be made in the infrastructure to increase utilization of and access to these services. These measures include providing outreach to the working poor, training service providers, improving access to income supports by removing bureaucratic complexity and time mismatch barriers that prevent families from obtaining them, coordinating eligibility requirements through web-based software, and linking applicants to other supports for which they are eligible. The success of these efforts rests upon the use of more efficient means and technology to provide families with opportunities to apply for and renew benefits outside of public agencies, as well as the will to expand upon those efforts that have been successful.

### I. CREATE MEANINGFUL OUTREACH

*Provide outreach to the working poor and service providers in order to encourage the utilization of income support benefits.* Much of the outreach can be done at low cost to the state, since the federal government matches most state outreach costs (e.g. Medicaid and Food Stamp outreach are matched at 50%, Child Support and KidCare at 66%).

- **Create and promote public information campaigns** about the existence of and eligibility requirements for income support programs. Target these campaigns to

specific eligible groups, including working poor who have never been connected with support programs and former welfare recipients now in the workforce. To be successful, outreach must include local government, CBOs, health centers and grassroots organizations.

Several successful models of outreach in Illinois were highlighted in the previous section. Other examples of outreach can include mobile outreach teams and mail campaigns. Mobile teams of benefit experts can travel to communities to screen and enroll eligible families in programs. Mail campaigns would be especially useful to inform families of their possible eligibility for the EITC, based on their filings from the year before, and to discourage them from using rapid refund services, which take a significant percentage of the EITC refund as their fee.

- **Provide training sessions on income support programs and their eligibility requirements** to community-based service providers and state workers, so that they can adequately advocate for and educate working poor families.
- **Create and promote statewide, user-friendly web-based informational sites** that provide information about income supports and links to service sites for participants and service providers. The site should be comprehensive, including information on a wide range of programs available to people at or below 200% of the federal poverty level.

## II. Improve Access

*Improve access to income supports by removing barriers that prevent families from obtaining them.* Illinois can replace burdensome requirements, while continuing to preserve program integrity, by adopting screening, application, and re-determination processes that are more efficient for working families.

- **Create and promote web-based screening tools that provide eligibility information on a wide range of programs.** These tools should generally screen applicants for all programs at once to inform them of the range of possibilities. An example of a current screening system is Chicago *HelpWorks*, which provides comprehensive screening and referral to 37 different support programs.
- **Allow community based organizations (CBOs) working with eligible families to become certified as application agents for the wide range of income support programs.** Using *RealBenefits* and other screening and application tools, trained staff at CBOs can advise families on available supports, electronically screen for eligibility, and submit applications for benefits. These organizations, including licensed child care centers, health providers, community action agencies, schools, and other social service centers, would be reimbursed for their work on behalf of the state. This has already been operationalized in the Illinois Hunger Coalition pilot. It also is well-established for Medicaid and KidCare, where hospital and health clinic staff take applications and submit them to IDHS and IDPA.

Formal training would be paramount to ensure that community-based organizations support the integrity of the program and fulfill the responsibilities of confidentiality and verification.

- **Strengthen the collaboration between community based organizations and state workers,** so that they can more effectively work together to increase utilization of income supports, cope with high demand, and reduce poverty in Illinois. With the state workforce staying intact, but with increased assistance from CBOs and technology, Illinois will be better able to provide in-depth services to working poor families. Additionally, CBOs can help the system better reach out to working poor with special needs, such as those suffering domestic violence, and are more able to meet families according to their schedules.
- **Allow submittal of certification documents to be made via internet, phone, fax and mail, and allow working families to opt out of face-to-face interviews with state workers.** This will allow families to access supports without jeopardizing their work schedules. Some Illinois counties (e.g. Champaign, Henry, Madison) already permit interview waivers for Food Stamp applications. Reviewed on a case-by-case basis, state workers can waive the in-office interviews and replace them with telephone or in-home interviews.<sup>21</sup> This process could be reversed to make it the rule to waive the face-to-face

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<sup>21</sup> Illinois Dept. of Human Services, Food Stamp Outreach Project, Form 2378B, October 2002.

interview unless the household requests it or the worker has reason to meet the applicant face to face. In addition, the State can accept the face-to-face verification from a trained CBO staff person.

- **Promote the ‘No Wrong Door’ approach so that families can access services at any IDHS office.** A working family’s decision to enter the system should not be limited to a single office dedicated to serve its zip code of residence. Just as Social Security, Secretary of State, and Illinois Employment and Training Center offices are flexible and take any mailed or electronic applications, families should be able to apply or submit information to any IDHS office or agent, using the office most convenient to their work or home location and transportation needs. An adequate data system can support families facing the complexities of work, child care, and transportation, regardless of their home address.
- **Create electronic accounts for eligible families to track their eligibility, application and re-application requirements, and program participation.** Just as the Illinois Link card allows families to track what remains in their accounts, an electronic account would enable families to monitor the status of their case.
- **Establish professional standards at each phase to ensure program compliance, preserve confidentiality, and address families with special needs.**

### **III. Coordinate Eligibility Requirements**

Coordinate eligibility requirements to provide a clear, consistent system of determining eligibility and applying for income supports.

- **Create a general application system that can highlight a family’s eligibility for and provide a link to a myriad of services.** With appropriate prompts on the user screen, a worker or application agent could immediately peruse and apply for multiple supports. This will cut down on the time needed for both the applicant and state providers to process the family’s applications for several supports.
- **Create a common verification and certification process using technology that crosses agency systems.** By allowing verification documents, such as proof of wages and assets, to be shared among programs, families could submit documentation to a main system which connects to several different income support programs. Instead of making trips to several offices to submit the same information, families can submit it once. This will decrease complications arising from lost documents, filed originals, or duplicate requests for copies held by another agency.
- **Streamline the time period for re-determinations across all programs** so that they occur at the same time. This will allow the working parent to handle all re-determinations on one day, instead of multiple days throughout a year. The time period should be between 6 and 12 months, with caveats for large changes in income.



## SUMMARY

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Improved access to income supports can have a myriad of positive effects, both economic and social. Financially, a working poor family that receives income supports can experience an increase in spendable income and an opportunity to safeguard resources for other family necessities, such as health care, education, and improved housing. For the community, increased family spending spurs economic growth and increases sales tax revenues. Socially, when families are lifted out of poverty, they provide greater emotional and health care for their children as they benefit from reduced economic stress and increased coverage of health care needs. Finally, by making the access and procedures more efficient, working parents can spend more time with their children, instead of in the IDHS office.

**In order to achieve these outcomes, the above recommendations should be considered by the State of Illinois and the low cost items implemented immediately.**

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